

STATE OF INDIANA

Mitchell E. Daniels, Jr.
Governor

STATE BUDGET AGENCY
212 State House
Indianapolis, Indiana 46204-2796
317/232-5610

Christopher A. Ruhl
Director

The monthly revenue report of May 2010 state tax collections was released today.

Results

- Total revenue collections were \$982 million, \$11 million (1%) above total collections for the same period last year. Collections were \$83 million below the amount used in the June 2009 as passed budget.
- Sales tax collections totaled \$494 million for the month, \$18 million above collections for the same period last year. Year to date sales tax collections are 4.4% below prior year.
- Individual income tax collections totaled \$386 million for the month, \$29 million above collections for the same period last year. Year to date income tax collections are 9% below prior year.

Commentary

Revenue collections through eleven months of the current state fiscal year are now \$1.032 billion or 9% below the budget passed by the General Assembly. Revenue collections have been below budget for ten of the eleven months of the current fiscal year. The average monthly miss has been dramatic—nearly \$100 million, with all but two months registering a miss of greater than \$60 million. May represented another sizeable miss of \$83 million or 8%.

The as passed budget estimated 2% growth in tax revenue for FY 2010 compared to FY 2009. Actual year to date tax collections are 7.5% below prior year (2009) which was 7.4% below 2008. As Figure 1 demonstrates, year to date tax collections for the current year most resemble FY 2005.

Despite actions to reduce budgeted spending, the state's reserves were once again drawn down further this month. The \$1.032 billion in lower than budgeted collections through eleven months have been partially offset by spending reductions ordered by the Governor. Without the necessary spending reductions ordered by the Governor, Indiana would be broke like so many other states with no remaining options other than raising taxes.

June 3, 2010

End-of-Month Revenue Report

May 31, 2010

Targets per December 15, 2009, Forecast

Indiana State Budget Agency

Category	Comparison to Monthly Forecast				Comparison to Prior Year-to-Date			
	Forecast Revenue Y-T-D	Actual Revenue Y-T-D	Revenue Difference		Actual Revenue Y-T-D	Prior Revenue Y-T-D	Revenue Change	
			Amount	Percent			Amount	Percent
Major Taxes								
Sales & Use ⁵	\$5,416.3	\$5,413.1	-\$3.2	-0.1%	\$5,660.9	\$5,413.1	-\$247.8	-4.4%
Individual AGI	\$3,412.2	\$3,544.1	\$131.9	3.9%	\$3,907.0	\$3,544.1	-\$362.9	-9.3%
Corporate - AGI, URT, USUT, FIT	\$438.8	\$428.3	-\$10.5	-2.4%	\$645.3	\$428.3	-\$217.0	-33.6%
Riverboat Wagering	\$491.8	\$477.1	-\$14.7	-3.0%	\$487.5	\$477.1	-\$10.4	-2.1%
Racing Wagering ⁷	\$105.7	\$108.7	\$3.1	2.9%	\$52.3	\$108.7	\$56.5	108.0%
Subtotal Major Taxes	\$9,864.8	\$9,971.3	\$106.5	1.1%	\$10,753.0	\$9,971.3	-\$781.7	-7.3%
Other Revenue								
Cigarette ¹	\$243.7	\$235.1	-\$8.6	-3.5%	\$253.1	\$235.1	-\$18.0	-7.1%
Cigarette - Medicaid	\$11.0	\$10.7	-\$0.3	-3.1%	\$11.5	\$10.7	-\$0.8	-7.2%
Insurance	\$139.7	\$137.0	-\$2.7	-1.9%	\$143.3	\$137.0	-\$6.2	-4.4%
Inheritance	\$154.8	\$133.4	-\$21.4	-13.8%	\$185.5	\$133.4	-\$52.1	-28.1%
Alcoholic Beverages	\$15.1	\$14.6	-\$0.5	-3.1%	\$14.5	\$14.6	\$0.1	0.5%
Riverboat Admissions ^{2, 4, 7}	\$16.4	\$15.4	-\$1.0	-6.3%	\$12.7	\$15.4	\$2.7	20.9%
Interest	\$18.4	\$22.1	\$3.6	19.7%	\$60.4	\$22.1	-\$38.3	-63.4%
MV, CVET & FIT Recapture ²	\$52.5	\$52.5	\$0.0	0.0%	\$0.0	\$52.5	\$52.5	N/A
Miscellaneous Revenue ^{4, 6}	\$164.7	\$143.2	-\$21.5	-13.0%	\$171.9	\$143.2	-\$28.7	-16.7%
Subtotal Other Revenue	\$816.3	\$763.9	-\$52.4	-6.4%	\$853.0	\$763.9	-\$89.1	-10.4%
Total General Fund	\$10,681.1	\$10,735.2	\$54.1	0.5%	\$11,606.0	\$10,735.2	-\$870.7	-7.5%

FY 2010 Report of Monthly General Fund Revenue Collections
 Targets per Dec 15, 2009, Forecast
 (In millions of dollars)

	July	August	September	October	November	December	January	February	March	April	May	June	Y-T-D
Sales & Use⁵													
Actual	\$514.2	\$490.0	\$484.7	\$492.4	\$466.2	\$472.0	\$572.7	\$449.4	\$460.3	\$517.1	\$494.2	\$-	\$5,413.1
Target	\$491.8	\$481.6	\$489.0	\$485.5	\$471.1	\$474.0	\$581.7	\$463.1	\$476.3	\$492.5	\$509.6	\$515.7	\$5,416.3
Difference	\$22.4	\$8.4	(\$4.3)	\$6.9	(\$4.9)	(\$2.0)	(\$13.7)	(\$9.1)	(\$16.0)	\$24.6	(\$15.5)	-	(\$3.2)
Individual AGI													
Actual	\$190.3	\$313.2	\$378.2	\$271.5	\$289.2	\$260.2	\$282.9	\$442.7	\$110.2	\$285.4	\$577.8	\$385.7	\$3,544.1
Target	\$252.4	\$252.5	\$389.3	\$268.1	\$260.2	\$29.0	\$17.0	\$464.1	\$154.1	\$31.2	\$513.5	\$34.0	\$3,412.2
Difference	(\$72.1)	\$60.7	(\$11.1)	\$3.4	(\$29.0)	(\$21.4)	(\$43.8)	(\$43.8)	(\$54.2)	\$64.3	\$51.8	-	\$131.9
Corporate - AGI, URT, USUT, FIT													
Actual	\$5.8	\$1.5	\$124.0	\$68.2	(\$16.7)	\$63.6	\$37.3	(\$18.8)	\$37.3	\$174.4	\$62.2	\$-	\$428.3
Target	\$10.6	\$1.2	\$110.1	\$60.2	\$13.0	\$68.8	\$13.7	\$3.2	\$19.7	\$129.4	\$19.1	\$108.5	\$436.8
Difference	(\$4.8)	\$0.3	(\$14.0)	\$38.1	(\$29.6)	(\$5.1)	(\$51.0)	(\$22.0)	(\$17.5)	\$45.0	(\$12.9)	-	(\$10.5)
Riverboat Wagering													
Actual	\$7.0	\$30.6	\$32.7	\$42.0	\$37.3	\$44.3	\$44.6	\$52.5	\$62.9	\$63.9	\$59.2	\$-	\$477.1
Target	\$4.0	\$28.8	\$35.0	\$38.0	\$38.9	\$41.5	\$51.0	\$54.1	\$69.0	\$66.0	\$65.6	\$62.7	\$491.8
Difference	\$2.9	\$1.8	(\$2.3)	\$4.1	(\$1.7)	\$2.8	(\$6.3)	(\$1.5)	(\$6.1)	(\$2.0)	(\$6.4)	-	(\$4.7)
Racino Wagering													
Actual	\$10.4	\$8.3	\$8.3	\$9.6	\$7.8	\$8.7	\$9.2	\$10.6	\$13.2	\$12.1	\$10.7	\$108.7	
Target	\$9.3	\$7.6	\$8.0	\$8.9	\$6.1	\$8.4	\$9.7	\$10.6	\$11.8	\$13.6	\$11.5	\$11.5	\$105.7
Difference	\$1.1	\$0.6	\$0.2	\$0.7	\$1.6	\$0.3	(\$0.5)	\$0.0	\$1.4	(\$1.5)	(\$0.8)	-	\$3.1
Other^{1,2,4,6}													
Actual	\$135.6	\$36.0	\$73.3	\$91.4	\$31.8	\$80.1	\$115.6	\$33.5	\$49.4	\$91.6	\$25.5	\$-	\$763.9
Target	\$113.5	\$54.5	\$73.5	\$99.1	\$40.0	\$96.3	\$102.2	\$37.9	\$52.1	\$102.4	\$22.9	\$333.2	\$816.3
Difference	\$22.1	(\$18.5)	(\$0.2)	(\$7.6)	(\$8.2)	(\$18.2)	(\$13.4)	(\$4.3)	(\$2.7)	(\$10.8)	(\$17.3)	-	(\$52.4)
Total General Fund													
Actual	\$863.2	\$879.5	\$1,101.2	\$975.3	\$815.6	\$988.7	\$1,147.5	\$637.4	\$908.4	\$1,436.9	\$981.6	\$-	\$10,735.2
Target	\$891.6	\$726.2	\$1,104.9	\$929.7	\$829.4	\$933.9	\$1,222.3	\$722.9	\$860.2	\$1,317.3	\$92.7	\$1,395.1	\$10,681.1
Difference	(\$28.4)	\$53.2	(\$3.7)	\$45.5	(\$13.7)	(\$5.3)	(\$74.9)	(\$85.5)	\$48.3	\$119.6	(\$1.1)	-	\$54.1

Comparison of Monthly Revenues to Targets Based on the Budget Plan³

	July	August	September	October	November	December	January	February	March	April	May	June	Y-T-D
Total General Fund													
Actual	\$863.2	\$879.5	\$1,101.2	\$975.3	\$815.6	\$988.7	\$1,147.5	\$637.4	\$908.4	\$1,436.9	\$981.6	\$-	\$10,735.2
Adj. Target	\$940.7	\$911.9	\$1,263.4	\$1,040.0	\$956.9	\$1,164.2	\$1,273.3	\$746.9	\$906.4	\$1,518.6	\$1,064.9	\$1,298.8	\$11,767.0
Difference	(\$77.5)	(\$12.4)	(\$162.2)	(\$141.2)	(\$54.7)	(\$175.5)	(\$125.8)	(\$109.5)	(\$2.0)	(\$81.7)	(\$83.3)	-	(\$1,031.8)

FY 2010 Monthly Revenue Year-Over-Year Comparison
May 31, 2010
Indiana State Budget Agency

		July	August	September	October ¹	November	December	January	February	March	April	May	June	Y-T-D
Sales & Use⁵	FY 2009	\$579.5	\$549.9	\$551.0	\$538.1	\$491.4	\$468.1	\$579.9	\$467.2	\$453.4	\$486.8	\$475.5	\$492.4	\$5,660.9
	FY 2010	\$514.2	\$490.0	\$484.7	\$492.4	\$466.2	\$422.0	\$572.7	\$449.4	\$460.3	\$517.1	\$494.2	-	\$5,413.1
% Change	-11.3%	-10.9%	-12.0%	-8.5%	-5.1%	-3.3%	-1.3%	-3.8%	1.5%	6.2%	3.9%	-	-	-4.4%
Individual AGI	FY 2009	\$293.2	\$301.7	\$511.7	\$312.1	\$328.1	\$309.6	\$473.7	\$146.5	\$278.1	\$595.6	\$356.7	\$406.7	\$3,907.0
	FY 2010	\$190.3	\$313.2	\$378.2	\$271.5	\$289.2	\$300.0	\$442.7	\$110.2	\$285.4	\$577.8	\$385.7	-	\$3,544.1
% Change	35.1%	3.8%	26.1%	-13.0%	-11.9%	-3.1%	-6.5%	-24.8%	2.6%	-3.0%	8.1%	-	-	-9.3%
Corporate - AGI, URT, USUT, FIT	FY 2009	\$35.5	\$6.5	\$186.1	\$41.3	\$242.7	\$157.9	\$25.9	\$61.0	\$46.2	\$179.2	\$27.3	\$193.7	\$645.3
	FY 2010	\$5.8	\$1.5	\$124.0	\$68.2	(\$16.7)	\$33.6	(\$37.3)	(\$8.8)	\$37.3	\$174.4	\$6.2	-	\$428.3
% Change	-83.6%	-77.4%	-33.4%	65.1%	-517.4%	-47.0%	-43.9%	-215.3%	-19.3%	-2.7%	-77.2%	-	-	-33.6%
Riverboat Wagering	FY 2009	\$7.2	\$27.9	\$34.8	\$41.5	\$32.0	\$45.2	\$51.3	\$51.6	\$62.6	\$72.3	\$61.2	\$57.9	\$487.5
	FY 2010	\$7.0	\$30.6	\$32.7	\$42.0	\$37.3	\$44.3	\$44.6	\$55.5	\$62.9	\$63.9	\$59.2	-	\$477.1
% Change	-2.7%	9.6%	-6.0%	1.4%	16.5%	2.0%	-13.0%	1.8%	0.5%	-11.6%	-3.2%	-	-	-2.1%
Racing Wagering⁷	FY 2009	-	-	-	-	-	-	\$8.8	\$9.6	\$10.8	\$12.4	\$10.5	\$10.5	\$52.3
	FY 2010	\$10.4	\$8.3	\$8.3	\$9.6	N/A	N/A	3.5%	9.7%	22.2%	3.0%	2.0%	-	\$108.7
% Change	-	-	-	-	-	-	-	\$9.2	\$10.6	\$13.2	\$12.1	\$10.7	-	-
Cigarette¹	FY 2009	\$28.2	\$25.7	\$26.1	\$25.9	\$21.3	\$27.6	\$22.9	\$19.3	\$25.0	\$21.7	\$20.9	\$25.7	\$264.6
	FY 2010	\$28.0	\$20.2	\$23.2	\$27.0	\$18.9	\$33.4	\$21.0	\$18.5	\$20.8	\$23.9	\$21.0	-	\$245.8
% Change	-0.8%	-21.2%	-11.3%	4.1%	-11.3%	-15.2%	-8.6%	-4.0%	-16.9%	10.1%	0.3%	-	-	-7.1%
Insurance	FY 2009	\$8.2	\$2.8	\$36.2	\$3.2	\$0.6	\$42.0	\$3.2	\$7.6	\$10.3	\$32.4	(\$3.2)	\$40.4	\$143.3
	FY 2010	\$3.8	\$2.3	\$40.7	\$0.2	\$1.6	\$0.4	\$4.1	\$3.2	\$11.5	\$33.4	(\$4.1)	-	\$137.0
% Change	-54.4%	-19.9%	12.3%	-94.4%	192.8%	-3.8%	28.0%	-58.2%	11.6%	3.3%	-29.0%	-	-	-4.4%
Inheritance	FY 2009	\$39.4	\$2.8	(\$0.2)	\$43.2	\$0.1	\$0.1	\$56.8	\$50.0	\$0.04	\$34.8	\$3.5	\$0.2	\$185.5
	FY 2010	\$37.0	\$0.0	\$0.1	\$34.9	(\$0.6)	(\$0.2)	\$32.5	(\$0.3)	(\$0.0)	\$29.2	\$0.9	-	\$133.4
% Change	-6.2%	-100.0%	137.5%	-19.3%	-1331.4%	-30.9%	-42.8%	-105.1%	-170.0%	-16.1%	-75.2%	-	-	-28.1%
Alcoholic Beverages	FY 2009	\$1.7	\$1.3	\$1.2	\$1.5	\$1.4	\$1.5	\$1.6	\$0.9	\$1.0	\$1.1	\$1.3	\$1.6	\$14.5
	FY 2010	\$1.6	\$1.3	\$1.2	\$2.1	\$0.7	\$1.6	\$1.5	\$1.0	\$1.0	\$1.3	\$1.2	-	\$14.6
% Change	-7.1%	1.4%	4.7%	40.3%	-49.5%	7.3%	-4.7%	8.6%	1.3%	13.2%	-6.0%	-	-	0.5%
Riverboat Admissions^{2,4,7}	FY 2009	-	-	-	-	-	-	\$7.9	-	-	\$4.8	-	\$0.1	\$12.7
	FY 2010	\$9.0	(\$4.4)	\$0.3	\$4.6	\$0.1	\$0.5	\$4.2	\$0.1	\$0.3	\$0.5	\$0.1	-	\$15.4
% Change	N/A	N/A	N/A	N/A	N/A	N/A	-47.0%	N/A	N/A	-88.9%	N/A	-	-	20.9%
Interest	FY 2009	\$13.0	\$9.6	\$4.0	\$8.9	\$4.1	\$0.1	\$12.4	\$1.9	\$1.2	\$3.1	\$2.0	\$1.5	\$60.4
	FY 2010	\$3.7	\$0.8	\$0.1	\$1.1	\$0.3	\$1.8	\$0.7	\$4.4	\$9.9	(\$1.5)	\$1.0	-	\$22.1
% Change	-71.6%	-91.3%	-98.7%	-87.8%	-92.3%	1110.3%	-94.7%	128.9%	713.5%	-150.5%	-52.7%	-	-	-63.4%
MV, CVET & FIT Recapture²	FY 2009	-	-	-	-	-	-	-	-	-	-	-	\$13.0	-
	FY 2010	\$20.7	\$14.2	\$20.7	\$2.9	\$0.2	\$4.4	-	-	-	-	-	-	\$52.5
% Change	N/A	N/A	N/A	N/A	N/A	N/A	-	-	-	-	-	-	-	N/A
Miscellaneous Revenue^{4,6}	FY 2009	\$25.6	\$7.5	\$8.5	\$15.2	\$6.6	\$33.6	\$39.1	\$0.5	\$13.1	\$7.2	\$15.0	\$56.6	\$171.9
	FY 2010	\$31.9	\$1.5	\$4.9	\$11.4	\$6.3	\$12.5	\$51.8	\$6.6	\$6.0	\$4.8	\$5.5	-	\$143.2
% Change	24.6%	-79.8%	-41.7%	-25.4%	-4.1%	-62.6%	32.5%	1118.2%	-54.4%	-33.5%	-63.6%	-	-	-16.7%
General Fund Total	FY 2009	\$1,031.5	\$935.8	\$1,359.4	\$1,031.0	\$882.7	\$1,105.7	\$1,231.7	\$704.2	\$901.7	\$1,451.4	\$970.8	\$1,300.2	\$11,606.0
	FY 2010	\$853.2	\$879.5	\$1,101.2	\$953.3	\$815.6	\$988.7	\$1,147.5	\$637.4	\$908.4	\$1,436.9	\$981.6	-	\$10,735.2
% Change	-16.3%	-6.0%	-19.0%	-5.4%	-7.6%	-10.6%	-6.8%	-9.5%	0.8%	-1.0%	1.1%	-	-	-7.5%

End-of-Month Revenue Report
Notes to the Report
May 31, 2010

1. HEA 1001-2009 redirected cigarette tax revenues from the Retiree Health Account and the Health Benefit and Wellness Tax Credit Account within the state General Fund to the Retiree Health Benefit Trust Fund and the Cigarette Tax Account within the General Fund. Prior year revenues and forecasted revenues for the Cigarette Tax Account have been adjusted to reflect the new distribution and to provide a comparison to the prior year. Actual cigarette tax revenue deposited in accounts within state General Fund in FY 2009 was \$319.5 M. The prior forecast for FY 2010 and FY 2011 was \$311.0 M and \$302.3 M respectively.

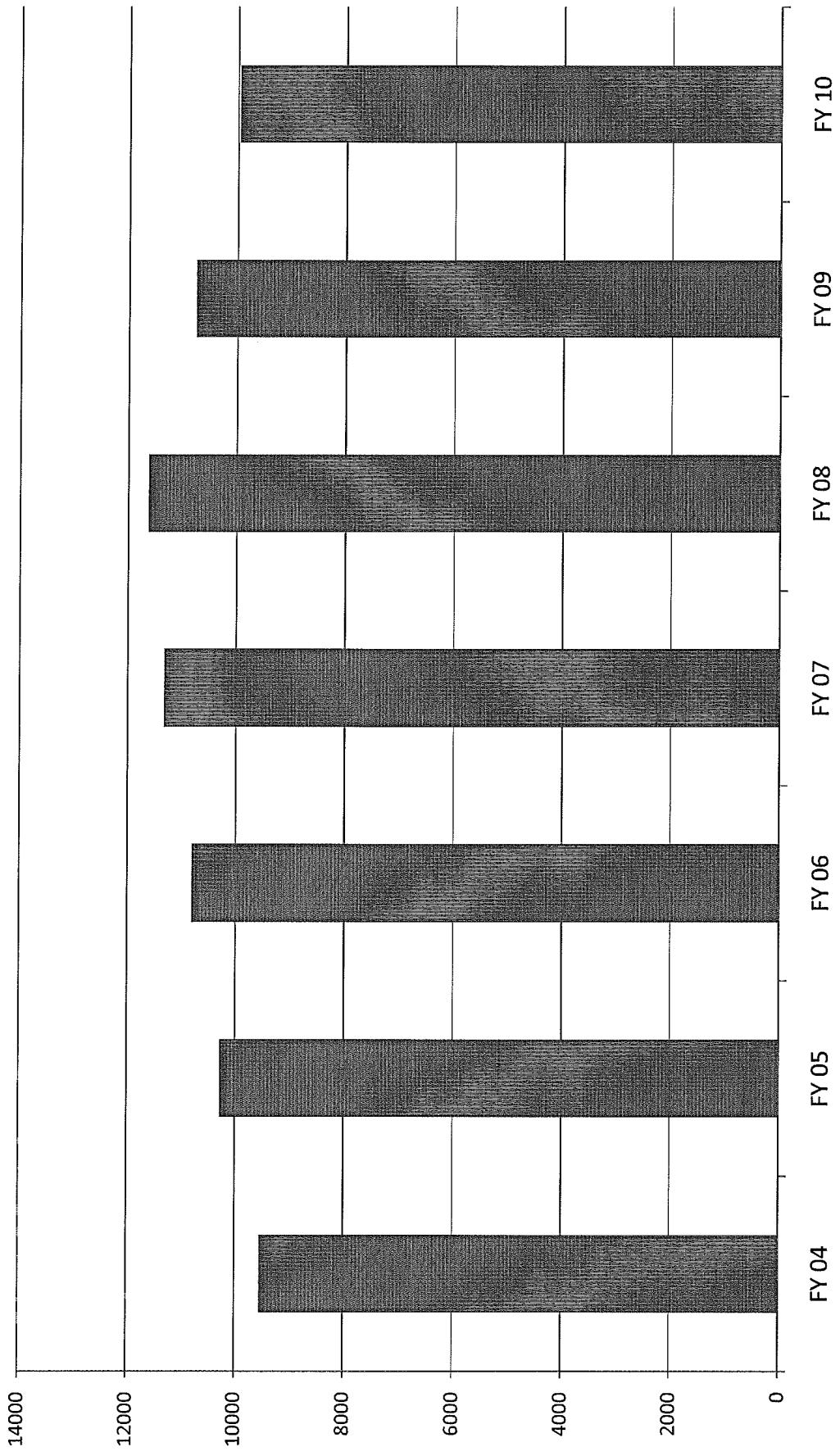
Total Cigarette Tax Revenue Deposited in the State General Fund and Dedicated Funds	\$ 432.4
Transfer to Healthy Indiana Plan per HEA 1678 - 2007 and HEA 1001-2009 (ss)	
Check Up Plan Trust Fund	\$ 117.2
Retiree Health Benefit Trust Fund	\$ 25.0
Medicaid Provider Reimbursements	<u>\$ 10.7</u>
Total Transfers to Healthy Indiana Plan Funds	\$ 152.8

2. Riverboat Admissions and MV, CVET & FIT Recapture were listed separately in prior monthly reports. They are now included in Other Revenue.
3. The targets for the budget plan are based on the May 27, 2009, revenue forecast adjusted for the impact of legislative actions taken by the General Assembly in 2009.
4. In July, \$5.3M was erroneously credited to miscellaneous revenue and \$4.8M was erroneously credited to riverboat admissions. The August revenues reflected in this report have been adjusted to remove those amounts from General Fund revenues.
5. The Bureau of Motor Vehicles deposited incorrect amounts resulting in overstatements of sales tax revenues totaling \$3,944,489 in July, \$3,556,873 in August, \$1,441,360 in September. Those deposits have been corrected and the sales tax revenues for those months have been restated in this report to accurately reflect the sales tax revenues to the General Fund.
6. In October, transfers from state hospitals of revenue received and reported in prior years totaling \$21,812,498 was erroneously reported as new revenue. October revenues have been restated in this report to exclude those transfers.
7. Racino Wagering tax and riverboat admissions tax revenues attributable to revenue measures contained in HEA 1001-2008 and HEA 1835-2007 were deposited in the General Fund starting January 2009.

Throughout the report, totals may not add due to rounding.

Figure 1

Tax Collections July-May



FY 2009 and FY 2010 normalized for HEA 1001-2008